

**BYLAWS
OF
REINVESTMENT ZONE NUMBER TWO, CITY OF SCHERTZ, TEXAS**

**ARTICLE I
NAME AND PURPOSE**

1.1 Name. The name of this reinvestment zone is Reinvestment Zone Number Two, City of Schertz, Texas (the "Zone"). The City of Schertz, Texas (the "City"), by means of Ordinance No. 06-T-61 approved by its City Council, created the Zone on December 19, 2006, pursuant to Texas Tax Code, Chapter 311, as amended (the "Code").

1.2 Purpose. The Zone was created to support development and public infrastructure improvements for the Sedona mixed-use project. Such development and improvements within the Zone shall include, but are in no way limited to, streets, sidewalks, utilities, drainage, parks, and up to 2,200 residential units. The Board of Directors of the Zone shall perform its purpose within the limitations of Ordinance No. 06-T-61, and the Code.

1.3 Powers. The Board of Directors of the Zone (the "Board") shall have such powers and duties as are granted by Section 311.0 IO of the Code.

**ARTICLE II
BOARD OF DIRECTORS**

2.1 Numbers, Tenure, Appointments, and Vacancies.

(a) Number. Direction and management of the Zone, including control and disposition of its properties and funds, shall be vested in its Board of Directors (the "Board"). The Board shall be made up of eleven (11) members.

(b) Appointments. The City Council of the City may appoint six (6) directors. The Commissioners Court of Bexar County (the "County") may appoint two (2) directors so long as the County is approving payment of its agreed-upon percentage tax increment to the tax increment fund for the Zone. The San Antonio River Authority ("SARA") may appoint one (1) director so long as SARA is approving payment of its agreed-upon percentage tax increment to the tax increment fund for the Zone. The Texas State Senator in whose district the Zone is located is a director or may designate an individual to serve in that State Senator's place on the Board, at the pleasure of that State Senator. The member of the Texas State House in whose district the Zone is located is a director or may designate an individual to serve in that State House member's place on the Board, at the pleasure of that State House member. Each director must meet the eligibility requirements of Section 311.0091(f) of the Code. Each director may be removed at any time, with or without cause, by the entity or individual appointing such director as described above. The preceding sentence may not be amended without the written consent of the appointing entities and individuals named above.

(c) Tenure. Each director may serve a term of two (2) years and until he/she is re-appointed or his/her successor has been appointed. Terms of directors may be staggered. There shall be no limits on the number of terms an individual may serve as a director.

(d) Vacancies. The City Council of the City may declare a vacancy in any seat on the Board upon the death, resignation, or removal (with or without cause) of a director by the appointing authority thereof, or upon a disability that renders a director incapable of participating in the management and affairs of the Zone. In the event of a vacancy in a Board position, the original appointing authority may appoint a successor in the same manner as set forth herein. The appointing authority may appoint the successor to only serve the time remaining in the former director's two-year term. Any director may resign at any time by giving written notice thereof to any officer of the Board and to the entity that appointed said director to the Board. Such resignation shall not become effective until a successor has been elected or appointed as provided herein.

2.2 Regular Meetings. The regular meetings of the Board shall be held at such time and on such date as set by the Board. At such meetings, the Board may transact any business as may lawfully come before it. The Board shall comply with the Texas Open Meetings Act for all regular meetings.

2.3 Special Meetings. Special meetings of the Board shall be held upon the written request of City of Schertz Staff, the Board Chairperson or of at least one-third (1/3) of the currently-serving directors. The Board shall comply with the Texas Open Meetings Act for all special meetings.

2.4 Attendance. Attendance of a director at a Board meeting shall constitute a waiver of notice of such meeting, except when a director attends the meetings for the sole purpose of objecting to the transaction of Zone business on the ground that the meeting is not lawfully convened.

2.5 Quorum and Voting. A simple majority of the currently-serving directors shall constitute a quorum for transacting business at all Board meetings. A simple majority of the quorum, voting in the affirmative, at any Board meeting shall be sufficient to conduct Zone business.

2.6 Telephone Meetings. When permitted by applicable law, one or more (but not all) physically absent director(s) may participate in a Board meeting by using telephone conference or other communications equipment that permits all persons participating in the meeting to hear each other. Participation in a Board meeting pursuant to this Section shall constitute presence in person at such meeting, except when a person participates in the meeting for the sole purpose of objecting to the transaction of Zone business on the ground that the meeting was not lawfully convened. Such meetings must comply with the Texas Open Meetings Act.

2.7 No Action Without a Meeting. Directors shall not consider or approve any Zone business without properly convening a Board meeting.

ARTICLE III OFFICERS

3.1 Election, Appointment, and Term.

(a) The officers of the Board shall be elected by the Board from the members of the Board. The officers of the Board shall consist of a Chairperson, a Vice-Chairperson, a Secretary/Treasurer, and such other officers as may be determined by the Board. Each officer shall be elected from the existing Board as provided herein. The Board, at its organizational meeting and annually thereafter, shall elect officers. There is no limit on the number of terms a director may hold an office.

(b) An elected officer of the Board shall hold office until the earlier of the date a successor is elected as provided herein, the date such elected officer dies, or the effective date such elected officer is removed (with or without cause) from office by the Board.

(c) Any officer may resign at any time by giving written notice thereof to any officer of the Board and to the entity that appointed such officer to the Board. Such resignation shall not become effective until a successor has been elected or appointed as provided herein.

3.2 Duties. Principal duties of Board officers are as follows:

(a) Board Chairperson. The Chairperson shall preside at all Board meetings. The Chairperson shall conduct such meetings according to rules established from time to time by the Chairperson or, in the absence of such rules, in accordance with the then current edition of ROBERT'S RULES OF ORDER.

(b) Vice-Chairperson. The Vice-Chairperson, if any, shall, in the absence of the Chairperson, perform the duties of the Chairperson. The Vice-Chairperson shall also assist the Chairperson as requested by the Chairperson.

ARTICLE IV COMMITTEES

4.1 No Executive Committee. The Board shall not establish an Executive Committee at any time or for any purpose.

4.2 Standing Committees. The Board may establish standing committees to assist the Board in executing its purpose. The Board shall describe the duties of each standing committee at the time the Board establishes the standing committee. The Board shall appoint directors and/or non-directors to a standing committee for terms prescribed by the Board upon making appointments to a standing committee. No such committee may bind the Board or the Zone with respect to any matter.

4.3 Special Committees. The Board may establish special committees to assist the Board in executing its purpose. The Board shall describe the duties of each special committee at the time the Board establishes the special committee. The Board shall appoint directors and/or non-directors to a special committee for terms prescribed by the Board upon making appointments to a special committee. A special committee shall limit its activities to the accomplishment of the task(s) for which it was established. No such committee may bind the Board or the Zone with respect to any matter.

ARTICLE V AMENDMENTS

Subject to the last sentence of Section 2.1(b), these Bylaws may only be amended by the Board upon a two-thirds (2/3) majority vote by the Board at any duly called Board meeting, provided that the notice of such meeting includes notice of such proposed amendment.

ARTICLE VI NOTICES

61 Form of Notice. In addition to the general notice requirements of the Texas Open Meetings Act, whenever notice is required to be given to any director and no specific provision is made as to how such notice shall be given, such notice shall be given in writing at least two (2) calendar days before the meeting. Such written notice shall be sent in the following manner:

(a) by mail, with postage prepaid and addressed to such director at such address as appears in the Zone's records for that director; or

(b) by messenger, with the fee prepaid and addressed to such director at such address as appears in the Zone's records for that director; or

(c) by an electronic transmission, addressed to such director at such address as appears in the Zone's records for that director.

62 Waiver. Whenever any notice is required to be given to any director, that director may waive the notice requirement. Such waiver must be in writing and signed by the director who is entitled to such notice. Such waiver may be given before or after the events specified in

the notice. A waiver shall be the equivalent of receiving the required notice prior to the deadline for receiving such notice.

ARTICLE VII GENERAL PROVISIONS

7.1 Fiscal Year. The fiscal year of the Zone shall end on September 30 of each calendar year.

7.2 Books and Records. The Board shall keep correct and complete books and records of its transactions. The books and records shall be audited annually as part of the City audit. Such books and records shall be open to public inspection.

7.3 Seal. The Board may, but is not required to, adopt a Zone seal to be in such form and to be used in such manner as the Board shall direct.

7.4 Public Information Act. The Zone shall comply with the Texas Public Information Act.

Adopted: October 27, 2008

Revised: February 10, 2009 (Section 2.1(c))

Revised: January 9, 2024 (Sections 2.3, 3.2 (c), 6.1 (a))

